

## Third Party Liability

- (1) The State Medicaid agency will use the pay and chase method for the purpose of recovering Third Party Liability when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency. Pay and chase activities are initiated in accordance with the established threshold for seeking reimbursement of medical benefits from a liable third party.

Non-emergency wheelchair van and litter/medi-van transportation (medical services codes 0015-0029) and Adult Day Health Care (ADHC) services (medical services codes Z8500-Z8506) are not benefits covered by the health insurance industry. Therefore, the Department is exempting these services from cost avoidance and post-payment billings because the cost to the State to edit the claims to cost avoid such services and to create post-payment billings on a recovery basis is not justified.

- (2) The threshold amounts used in determining whether to seek reimbursement from a liable third party are as follows:

- a) Payments for care to eligibles with health insurance are computer billed monthly when \$100 in accumulated health care services have been paid by Medi-Cal. If the \$100 threshold is not reached within three (3) years, no claim is generated.
- b) Potential Casualty Insurance and Worker Compensation cases are established when Medi-Cal payments of \$500 and over have been made.
- c) When unsolicited money of any value is received, it is retained, researched to identify why it was received and credited to the proper account or returned to sender.
- d) Estate Recovery claims are filed in the probate or distribution of assets of deceased Medi-Cal beneficiaries when the health care services paid by the State exceed \$750.
- e) Provider and beneficiary overpayments are billed when the amount of the overpayment liability exceeds \$100.

- (3) The dollar amount or timeframe, used by the State Medicaid Agency for accumulating health care services payments to determine whether to bill a particular third party are defined in #2 above.

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